



**CORRECTED
FISCAL MEMORANDUM**

HB 2663 - SB 2806

March 13, 2022

SUMMARY OF BILL AS AMENDED (014166): Enacts the *Mental Health Treatment Act of 2022*, to create programs to facilitate the implementation of new, and the continuation of existing, mental health court treatment programs within each county. States that the Department of Mental Health and Substance Abuse Services (DMHSAS) will create outcome measures and standards of operation for the mental health treatment court programs, collect and report program data, and provide support to different aspects of the program. Authorizes a court exercising criminal jurisdiction within the state or an existing drug court treatment program created by a court exercising criminal jurisdiction may apply for drug court treatment program grant funds. A court receiving grant money is to provide a courtroom and a judge for the mental health treatment court in the county in which the court resides, to be paid for by the general fund of each county using funds distributed by DMHSAS and appropriated by the Tennessee General Assembly. Specifies the guiding principles all mental health treatment court programs must follow and which individuals may participate in mental health treatment court programs.

FISCAL IMPACT OF BILL AS AMENDED:

The fiscal memorandum is being corrected to include additional expenditures that will be incurred by the Department of Mental Health and Substance Abuse Services.

(CORRECTED)

Increase State Expenditures - \$5,669,400/FY22-23

\$5.489,400/FY23-24 and Subsequent Years

Increase Local Expenditures – Exceeds \$450,000/FY22-23 and Subsequent Years*

Assumptions for the bill as amended:

- There are currently 82 recovery courts in Tennessee.
- These courts are judicially-supervised court dockets. In recovery courts, eligible individuals participate in specific treatment while under close legal and clinical supervision.
- Of the 82, 50 are adult recovery drug courts and 9 are mental health courts encompassing most judicial districts as well as several counties and cities.
- These will be very specialized dockets that oversee a small cohort of defendants, as there are other recovery courts currently in place, such as drug courts and veterans treatment courts, that handle issues related to mental health, including substance abuse and PTSD.

- Due to these short dockets, all counties can utilize existing judges and clerks to proceed over the cases and the new mental health treatment courts will use existing space in within the courthouses at each county seat.
- Currently, the state provides grants to courts to assist in funding the actions of the court. These state grants, along with local and federal funds, are used to meet the needs of the recovery courts.
- It is assumed to establish mental health courts across the state, grant funds equitable to those grants provided for the adult drug recovery courts will be necessary.
- Several of the current recovery courts combine administrative services, for example the judge and administrative staff of the Davidson County Veteran Treatment Recovery Court is the same for the Davidson County Mental Health Recovery Court. In Knox County, the drug court and veterans treatment court are combined so the state grant funding to the Knox County Recovery Court and Veterans Treatment Court serves both populations.
- Due to the overlapping of services in the recovery courts, this analysis is based on all state grant funds to the adult drug, veterans treatment, and mental health recovery courts.
- A total of \$6,644,500 in state grant funds were provided in FY21-22 to 57 individual courts resulting in an average grant of \$116,570.

Recovery Courts	Number of Courts	FY21-22 Grants	Average Grant Per Court
Drug Courts	48	\$ 5,809,500	\$ 121,031.25
Veteran Courts	6	\$ 630,000	\$ 105,000.00
Mental Health Courts	3	\$ 205,000	\$ 68,333.33
Total	57	\$ 6,644,500	\$ 116,570.18

- It is assumed the proposed legislation will lead to an additional 45 mental health recovery courts (48 drug courts – 3 mental health courts) across the state receiving state grant funds averaging \$116,570 per court, resulting in a total increase in state expenditures of \$5,245,650 (\$116,570 x 45 courts).
- In order to enact the proposed legislation DMHSAS will require the following new positions:
 - 1 Program Manager 1 position will create a recurring increase in state expenditures of \$74,429 (\$57,888 salary + \$16,541 benefits), plus an additional \$6,000 for travel.
 - 1 Program Manager 2 position will create a recurring increase in state expenditures of \$81,356 (\$63,828 salary + \$17,528 benefits), plus an additional \$6,000 for travel.
- This will result in an increase of state expenditures of \$167,785 (\$74,429 + \$6,000 + \$81,356 + \$6,000) in FY22-23 and subsequent years.
- DMHSAS will need to identify courts in each community that can serve as a mentor court. Tennessee does not have mentor courts in statute, so the department will design program guidelines and benchmarks for the courts. Subsequently, these courts will mentor the newly established mental health courts. The mentor program will result in an increase in state expenditures of \$6,000.

- Further, DMHSAS will require system updates to enhance and expand their data system at a one-time cost of \$250,000 and an annual cost of \$10,000 for hosting, maintenance, and support.
- State training of the newly created programs will be required in the first year of creation. This is expected to result in a one-time increase of state expenditures of \$30,000 in FY22-23.
- There will be an annual conference for the mental health courts judges and staff beginning in FY23-24 at a cost of \$60,000.
- A total increase of state expenditures of \$5,699,435 (\$5,245,650 + \$167,785 + \$6,000 + \$250,000 + \$30,000) in FY22-23 and \$5,489,435 (\$5,245,650 + \$167,785 + \$6,000 + \$10,000 + \$60,000) in FY23-24 and subsequent years.
- It is unknown the extent of local expenditures resulting from establishing a new court or combining the resources of the other courts. It is reasonably assumed the 45 newly established mental health courts will result in an increase of at least \$10,000 in local expenditures per court. The total increase in local expenditures is estimated to exceed \$450,000 in FY22-23 and subsequent years (45 courts x \$10,000).
- There may be a future reduction of incarceration expenditures as a result of the expansion of mental health courts. The timing and extent cannot be determined.
- Federal funding may be available to offset some expenses of the programs. The eligibility, timing, and amount are unknown and not considered in this analysis. If funds were to become available, it would result in a decrease of expenditures.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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